

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IES UTILITIES INC.	DOCKET NO. PGA-99-61 (WRU-99-45-151)
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ORDER DOCKETING ANNUAL RECONCILIATION

(Issued November 1, 1999)

On September 30, 1999, IES Utilities Inc. (IES) filed with the Utilities Board (Board) its annual purchased gas adjustment reconciliation. Pursuant to IOWA ADMIN. CODE 199-19.10(7) (1999), each natural gas utility is required to file on or before October 1 of each year a reconciliation of each customer class's actual net invoiced costs for purchased gas with actual purchased gas adjustment (PGA) revenue collected.

If the calculation results in an undercollection, the total uncollected dollars are divided by the anticipated sales volumes for the prospective ten-month period beginning November 1 and the resulting quotient becomes a part of the prospective ten-month PGA. If the calculation results in an overcollection of over 3 percent of the annual cost of purchased gas subject to recovery, the overcollection must be refunded by bill credit or check. If the overcollection 3 percent or less of the annual cost of purchased gas subject to recovery, it may be refunded through an adjustment to the PGA for the prospective ten-month period.

On October 22, 1999, IES filed a petition for waiver of the requirement in IOWA ADMIN. CODE 199-19.10(7) that the purchased gas adjustment reconciliation filing include costs from the 12-month period, which begins on September 1 of the previous year. According to IES, it included corrections applicable to January through August 1997 invoices in the September 30, 1999, reconciliation filing. These corrections increase the cost of gas in the amount of \$4,090,333 and are a result of the resolution of outstanding billing issues between IES and the former managing agent of IES's gas portfolio.

The Board will docket the purchased gas adjustment reconciliation filing for further investigation in order to allow the Board an opportunity to determine whether it is appropriate for IES to add the 1997 costs to the prospective purchased gas adjustment for this year. Docketing the filing will allow an opportunity for interested persons to respond to IES's petition for waiver. In addition, there appear to be other issues which the Board must resolve before determining whether to approve the reconciliation filing. IES must not implement the derived quotient in the prospective purchased gas adjustment until the reconciliation has been approved by the Board. The Board will not set a procedural schedule at this time.

IT IS THEREFORE ORDERED:

The purchased gas adjustment reconciliation, identified as PGA-99-61, filed by IES Utilities Inc. on September 30, 1999, is docketed for further investigation.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

Dated at Des Moines, Iowa, this 1st day of November, 1999.